

## Message Text

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PAGE 01 GENEVA 05491 01 OF 02 121504Z

ACTION EB-08

INFO OCT-01 IO-13 ISO-00 AF-10 ARA-10 EA-10 EUR-12  
NEA-10 STRE-00 AGRE-00 CEA-01 CIAE-00 COME-00  
DODE-00 FRB-03 H-01 INR-10 INT-05 L-03 LAB-04  
NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15 STR-07  
ITC-01 TRSE-00 ICA-11 SP-02 SOE-02 OMB-01 DOE-15  
/166 W

-----099829 121545Z /53

P 121457Z APR 78

FM USMISSION GENEVA

TO SECSTATE WASHDC PRIORITY 8261

INFO AMEMBASSY BRASILIA

AMEMBASSY BRUSSELS

AMEMBASSY BUENOS AIRES

AMEMBASSY BUCHAREST

AMEMBASSY DACCA

ALL EC CAPITALS

AMCONSUL HONG KONG

AMEMBASSY MANILA

AMEMBASSY MEXICO

AMEMBASSY NEW DELHI

AMEMBASSY SINGAPORE

AMEMBASSY TOKYO

LIMITED OFFICIAL USE SECTION 01 OF 02 GENEVA 05491

USMTN

USEEC

PASS STR

STR PASS CODEL

TOKYO PASS CEA CHAIRMAN CHARLES SCHULTZE

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PAGE 02 GENEVA 05491 01 OF 02 121504Z

E.O.11652:N/A

TAGS: ETRD, GATT, MTN

SUBJECT: TRILATERAL MEETING WITH LDCS APRIL 10

1. SUMMARY: AMB STRAUSS, MINISTER USHIBA AND EC COMMIS-  
SION VP HAFERKAMP MET INFORMALLY APRIL 10 WITH KEY LDC  
REPRESENTATIVES TO DISCUSS STATUS OF MTN. STRAUSS AND

HAFERKAMP REAFFIRMED OBJECTIVE OF SUBSTANTIALLY COMPLETING MTN BY MID-JULY, STRESSED THE NEED FOR ALL TO PARTICIPATE IN AND CONTRIBUTE TO MTN RESULTS, AND POINTED TO RECORD OF NUMEROUS BILATERAL/PLURILATERAL CONTACTS IN BOTH GENEVA AND CAPITALS TO INVOLVE ALL PARTICIPANTS IN DISCUSSIONS. LDCS THAT SPOKE SET A NON-CONFRONTATIONAL TONE, STRESSED THEIR CONCERN THAT SPECIAL AND DIFFERENTIAL TREATMENT (S&D) WOULD BE OVERLOOKED IN THE SHORT TIME REMAINING OR WOULD BE "PRECOOKED" BY THE BIG THREE WITHOUT THEIR PARTICIPATION. LDC POSITIONS ON SAFEGUARDS AND CONTRIBUTIONS FOR PRODUCT-SPECIFIC CONCESSIONS WERE EMPHASIZED. AMB STRAUSS ASSURED LDCS THAT LDCS' CONCERNS WOULD NOT BE FORGOTTEN OR IGNORED BUT CAUTIONED THAT NO DELEGATION WOULD ACHIEVE ITS COMPLETE OBJECTIVES DURING THIS ROUND. END SUMMARY.

2. VICE PRESIDENT HAFERKAMP (EC) SET THE TONE FOR THE TRILATERAL MEETING WITH 32 LDC REPRESENTATIVES BY REAFFIRMING COMMITMENT OF THE BIG 3 TO MIDSUMMER DEADLINE SET FOR MTN IN JANUARY AND OBSERVING THAT THE TIME FOR GENERAL DECLARATIONS SHOULD BE FINISHED. HE INVITED CONCRETE IDEAS AND CONTRIBUTIONS FROM THE LDCS. HE OBSERVED THAT A COMMON OBJECTIVE GIVEN THE PRESENT ECONOMIC BACKGROUND WAS TO STRENGTHEN TRADE INSTITUTIONS, PARTICULARLY THE GATT, TO CONFINE PROTECTIONISTIC PRESSURES AND TO ALLOW THE LONG-TERM EXPANSION OF WORLD TRADE. LIMITED OFFICIAL USE

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PAGE 03 GENEVA 05491 01 OF 02 121504Z

3. INDIA (KUMAR) SPEAKING ON BEHALF OF LDCS WELCOMED THE ACCELERATED PACE, INDICATED DISQUIET THAT PRODUCT-SPECIFIC S&D REQUESTS HAD ELICITED NO RESPONSE, AND REITERATED LDC COMMITMENT TO CONTRIBUTE TO THE MTN IN LIGHT OF ADDITIONAL BENEFITS THEY RECEIVED. HE OBSERVED THAT S&D PROPOSALS HAD BEEN ADVANCED IN EACH NTM CODE AREA AND THAT WORK WOULD NOT BE COMPLETED WITHOUT NEGOTIATED RESULTS ON S&D AS WELL. ON SAFEGUARDS, A SOLUTION ACCEPTABLE TO THE "OVERWHELMING MAJORITY" WAS NECESSARY. WITH REGARD TO SUBSIDIES/CVD, HE EXPRESSED APPREHENSION THAT LDCS WERE NOT INVOLVED IN THE DISCUSSIONS OF THIS KEY AREA WHICH REQUIRED S&D. HE ALSO STRESSED THE IMPORTANCE OF THE FRAMEWORK GROUP. FINALLY, HE OBSERVED THAT ONE OFFER-MAKING COUNTRY (READ U.S.) HAD OFFERED GREATER THAN FORMULA (GTF) TARIFF REDUCTIONS ON ONLY 30 NON-GSP LDC SUPPLIED ITEMS (WHICH THE LDCS BELIEVE WILL RESULT IN LARGEST BENEFITS FOR THEM), CONTRASTING IT WITH FAR MORE NUMEROUS GTF REDUCTIONS ON GSP ITEMS FOR WHICH THE EROSION OF LDC MARGIN OF PREFERENCES WOULD BE GREATER.

4. OTHER LDC SPEAKERS COMMENTED ON SAFEGUARDS. HONG

KONG (TSAO) CLAIMED THE OVERWHELMING MAJORITY OF MTN PARTICIPANTS FAVOR MAINTENANCE OF NON-DISCRIMINATORY SAFEGUARD RULE CITING THE RECENT GATT COUNCIL DEBATE ON THE UK ACTION CONCERNING TELEVISIONS FROM KOREA. ROMANIA (PETRESCU) FEARED THAT NEGOTIATIONS ON SAFEGUARDS SYSTEM WAS AIMED AT THE WEAKEST COUNTRIES.

5. BANGLADESH (AHMED) OBSERVED THAT NO PROGRESS HAD BEEN MADE TO ACHIEVE SPECIAL TREATMENT FOR THE LEAST DEVELOPED. HE MADE A SPECIAL PLEA THAT THIS PROBLEM BE TAKEN UP, AND THAT LEGISLATION CONSTRAINING DEVELOPED COUNTRIES FROM GRANTING SPECIAL TREATMENT BE AMENDED. EGYPT (HAMZA) SOUGHT ASSURANCE THAT THE BIG 3 POLICY MAKERS WOULD TAKE INTO ACCOUNT LDC PROPOSALS FOR S&D AND NOT PRESENT THEM WITH A "FAIT ACCOMPLI". ARGENTINA (MARTINEZ) EXPRESSED LIMITED OFFICIAL USE

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PAGE 04 GENEVA 05491 01 OF 02 121504Z

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PAGE 01 GENEVA 05491 02 OF 02 121509Z  
ACTION EB-08

INFO OCT-01 ISO-00 IO-13 AF-10 ARA-10 EA-10 EUR-12  
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DODE-00 FRB-03 H-01 INR-10 INT-05 L-03 LAB-04  
NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15 STR-07  
ITC-01 TRSE-00 ICA-11 SP-02 SOE-02 OMB-01 DOE-15  
/166 W

-----099898 121544Z /53

P 121457Z APR 78

FM USMISSION GENEVA  
TO SECSTATE WASHDC PRIORITY 8262  
INRO RUESUZ/AMEMBASSY  
BRASILIA 1185  
AMEMBASSY BRUSSELS  
AMEMBASSY BUENOS AIRES  
AMEMBASSY BUCHAREST  
AMEMBASSY DACCA  
ALL EC CAPITALS  
AMCONSUL HONG KONG  
AMEMBASSY MANILA  
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AMEMBASSY NEW DELHI  
AMEMBASSY SINGAPORE  
AMEMBASSY TOKYO

LIMITED OFFICIAL USE SECTION 02 OF 02 GENEVA 05491

CONCERNS THAT LITTLE EFFECTIVE PROGRESS HAD BEEN MADE IN GROUP AGRICULTURE OR ITS SUBGROUP, THAT DEVELOPED COUNTRIES WERE SEEKING MORE THAN RELATIVE RECIPROCITY (CITING CASE OF ONE DEVELOPED COUNTRY REQUESTING CONCESSIONS ON \$230 MILLION OF TRADE WHILE MAKING OFFERS ON \$30 MILLION), AND THAT NO EFFECTIVE OFFERS HAD BEEN MADE ON NTMS.

6. SIR ROY DENMAN (EC) RESPONDED BY RECALLING EC POSITION  
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PAGE 02 GENEVA 05491 02 OF 02 121509Z

ON TARIFFS S&D TO BE APPLIED ON A PRODUCT BY PRODUCT BASIS AND OBSERVED THAT IT HAD RECEIVED REQUESTS FROM ONLY SIX COUNTRIES. HE STATED THAT ALL SUCH REQUESTS SHOULD BE CIRCULATED THROUGH THE GATT. HE STATED THAT LDC CONTRIBUTIONS (TARIFF BINDINGS OR SIMPLIFICATION OF CUSTOMS PROCEDURES AS EXAMPLES) WOULD MOVE EC RESPONSES FORWARD. DENMAN ADMITTED THAT EC POSITION ON SELECTIVE SAFEGUARD ACTIONS HAD CAUSED APPREHENSION BUT ASSURED LDC REPS THAT APPROPRIATE CHECKS AND BALANCES COULD BE NEGOTIATED. HE OUTLINED NEED FOR PANEL OF SIGNATORIES TO SAFEGUARDS UNDERSTANDINGS AND NEED FOR COMPLETE DESCRIPTION OF ADJUSTMENT ACTION INCLUDING THE TIMING AND CONDITIONS FOR THEIR REMOVAL. HE DID, HOWEVER, STATE EC REQUIREMENT FOR PROVISION COVERING SITUATION WHERE IMMEDIATE ACTION REQUIRED WITHOUT PRIOR CONSENSUS.

7. AMB MCDONALD STATED THAT POSITIONS AMONG BIG 3 WERE NOT IDENTICAL BUT CONVERGING ON SAFEGUARDS, NOTING U.S. DESIRE TO INCREASE TRANSPARENCY AND DISCIPLINE. HE DESCRIBED USG ATTENTION TO QUESTION OF S&D, STRESSING OUR CONCLUSION THAT LDCS WERE UNDERESTIMATING MFN BENEFITS, SECURITY OF MFN TARIFF REDUCTIONS, AND LDCS THE GREATEST BENEFICIARIES OF INCREASED DISCIPLINE ON NON-TARIFF MEASURES. AMB MCDONALD ALSO STRESSED THE VALUE OF THE U.S. OFFER INCLUDING OUR TROPICAL PRODUCTS OFFER; HE ALSO ASSURED LDC REPS THE U.S. WAS PREPARED TO MAKE PROGRESS QUICKLY ON FRAMEWORK ISSUES.

8. AMB STRAUSS CONCLUDED THE MEETING STATING THAT LDCS WERE NEITHER BEING FORGOTTEN NOR IGNORED DURING TOKYO ROUND BUT REMINDING PARTICIPANTS THAT NO ONE COUNTRY OR GROUP OF COUNTRIES COULD ACHIEVE ALL OF THEIR OBJECTIVES.

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PAGE 03 GENEVA 05491 02 OF 02 121509Z

HE ALSO STRESSED HIS APPRECIATION FOR THE CONCERNS OF THE  
LEAST DEVELOPED WHICH WOULD HAVE TO BE ADDRESSED.

9. DRAFTED BY GRAEF. MCDONALD

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## Message Attributes

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Sheryl P. Walter  
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20 Mar 2014  
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